

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 EA-07 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-03 /040 W

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R 011026Z APR 77

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 728

INFO AMCONGEN HONG KONG

AMEMBASSY LONDON

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E.O. 11652: NA

TAGS: EAIR, TH

SUBJ: CIVAIR: RTG-UK AIR WAR

1. BY ORDER OF HMG, THAI INTERNATIONAL AIRWAYS (TIA) ON APR 1 BEGAN OVERFLYING HONG KONG ON ROUTES TO JAPAN AND TAIWAN;AND CATHAYPACIFIC, BY ORDER OF THE RTG, SUSPENDED ITS HONG KONG-BANGKOK-BAHRAIN ROUTE. RTG ALSO NOTIFIED HMG THAT CATHAY PACIFIC WOULD NOT BE PERMITTED TO INAUGURATE HONG KONG-BANGKOK-PENANG-SINGAPORE ROUTE APR 3 WHICH RTG HAD APPROVED INFORMALLY.

2. THAI-UK CIVAIR RELATIONS HAVE BEEN DETERIORATING STEADILY SINCE EARLY 1976 WHEN BRITISH, AGGRAVATED BY AIR SIAM'S DIS-COUNTING OF FARES, RESTRICTED THAI CAPACITY AT HONG KONG TO 7648 SEATS PER WEEK FROM THEN EXISTING LEVEL OF 9500 PER WEEK. RTG AGGRIEVED, FINALLY DECIDED TO LIVE WITH LIMITATION, ALLOCATING 4314 PER WEEK TO THAI INTERNATIONAL AND REMAINDER TO AIRSIAM. HOWEVER, AFTER AIR SIAM COLLAPSED THREE MONTHS AGO, TIA SOUGHT TO INCREASE ITS SERVICES TO SOAK UP CAPACITY LEFT IDLE BY DEMISE OF AIR SIAM. HOWEVER, ACCORDING RTG SOURCES, BRITISH NOT ONLY REFUSED TO PERMIT TIA TO INCREASE ITS CAPACITY, BUT RESTRICTED TIA FURTHER, TO 3500 SEATS WEEKLY, AND WITHDREW AUTHORITY FOT TIA TO

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CARRY PASSENGERS BETWEEN HONG KONG AND TAIPEI. RTG SOURCES SAY UK TOOK FIRST STEP, BUT BRITISH EMBASSY SOURCES INSIST UK IS RETALIATING AGAINST ANNOUNCEMENT BY RTG OF INTENT TO RESTRICT CATHAY PACIFIC'S SERVICES. HOWEVER, ROUTE TO PENANG ETC. HAD NEVER BEEN FORMALLY APPROVED BY RTG AND BAHRAIN ROUTE, WHICH IS NOT INCLUDED IN AGREEMENT, HAD BEEN SERVED ON BASIS OF TEMPORARY PERMIT WHICH

THAI WITHDREW. RTG OFFICIALS INSIST THEY HAVE SIMPLY
DECIDED TO COMPEL BRITISH TO ABIDE BY FORMAL ROUTE DESCRIPTION IN BILATERAL AVIATION AGREEMENT.

3. THERE ARE PROBABLY ADDITIONAL ELEMENTS POINTS OF CONFLICT WHICH WE HAVE NOT YET UNCOVERED (RUMOR HAS IT THAT UK SOUGHT TO IMPOSE POOLING AGREEMENT ON BANGKOK-LONDON SERVICES BU THAT TIA RESISTED). IN ADDITION, PERSONAL ELEMENT WAS PROBABLY FACTOR SINCE THAIDEL WENT TO LONDON TWO WEEKS AGO STILL SMOLDERING FROM ALLEGED CAVALIER TREATMENT IN PREVIOUS TALKS AT HANDS OF CHAIRMAN OF UKDEL (ROGERS). MEMBERS OF THAIDEL WHO RETURNED TO BANGKOK THIS WEEK FEEL THEY WERE AGAIN AFFORNTED BY UKDEL WHILE IN LONDON.

4. AS FALLOUT FROM GOREGOING, WE UNDERSTAND FROM GENERAL ELECTRIC REP HERE THAT TIA HAS POSTPONED PLANNED SIGNING APR 1 OF LETTER OF INTENT TO PURCHASE THREE, AND PERHAPS SIX, AIRBUSES. GE REP SAID THAT PROPOSED TIA ORDER, WITH SPARES, COULD AMOUNT TO AS MANY AS 20 GE ENGINES, VALUED AT ABOUT \$45 MILLION, FOR THESE AIRCRAFT. HE SAID TIA NOW PLANS TO WAIT UNTIL HONG KONG ROUTE PICTURE IS CLEARER.
WHITEHOUSE

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Message Attributes

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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 01-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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Subject: CIVAIR: RTG-UK AIR WAR
TAGS: EAIR, TH, UK
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